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ABSTRACT

Facts and figures related to the underemployment of college graduates are presented. Underemployment is defined as holding a job that requires less education than the employee has obtained. Topics which are discussed in this digest include: (1) the implications of underemployment for career development; (2) statistics on college enrollment and the proportion of college graduates in the labor force; (3) types of jobs held by college graduates; (4) the employment outlook for college graduates; (5) trends in family income since 1960; and (6) career education needs of the underemployed including exploration of a wider range of options, exploration of the relationship between work and other life roles, and career planning for multiworker families. This digest includes an eight-item summary of employment trends and an eight-item bibliography of references, two of which are available from the Educational Resources Information Center (ERIC) system. (DC)

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Career Education for the Underemployed.

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by

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OVERVIEW

ERIC® DIGEST NO. 26

Clearinghouse on Adult, Career, and Vocational Education

CAREER EDUCATION FOR THE UNDEREMPLOYED

Underemployment and Career Development

Underemployment, holding a job that requires less education than the employee has obtained, is becoming a reality for increasing numbers of youth and adults. This trend has implications for career development programs. The trend toward greater numbers of underemployed creates a need for increased emphasis on such career education goals as understanding labor market trends, exploring a variety of career options, and deciding how other life role options can support work as a source of satisfaction.

Higher Levels of Educational Attainment

Between 1970 and 1980 the number of college graduates in the civilian labor force increased threefold. By 1980 almost one out of five workers had completed four or more years of college. Among young workers twenty-five to thirty-four years of age, the proportion of college graduates was even greater. The government projects that college enrollments will remain steady at about 12 million students between 1980 and 1990. Enrollments for eighteen- to twenty-four-year-olds are projected to decline; however, these declines will be offset by increasing enrollments among adults twenty-five years old and over (Rumberger 1983). Educational attainments at other levels such as high schools and two-year postsecondary institutions are paralleling these higher education trends.

Employment Opportunities by Educational Attainment

The kinds of jobs held by college graduates have become more diverse since 1970, with a smaller proportion in the professional and technical fields. In 1970, 65 percent of all twenty-five- to sixty-four-year-old college graduates were professional and technical workers. From 1970 to 1982, a combination of factors such as population growth, increased labor force participation by women, financial support from parents, and large-scale aid to higher education by all levels of government helped to more than double the number of workers who were college graduates (from 8.6 to 18.9 million). By 1982 only 54 percent of these graduates were professional and technical workers (Young 1983).

Some college graduates have shifted into clerical, craft, and service jobs voluntarily because of a preference for job location and work schedule. However, the increase in the proportion of college graduates in these three occupations, from 10 percent in 1970 to 15 percent in 1982, would seem to represent some "underemployment" (Young 1983). In a follow-up study of college graduates of 1977, Hecker (1982) found that 28 percent of those employed were working in jobs that do not generally require a college degree for entry (craft, retail sales, service, operative, and laborer jobs). Using data from a Panel Study of Income Dynamics, Duncan and Hoffman (1981) reported that 42 percent of the workers in a representative national sample of five thousand households reported having more education than their jobs required.

Future Employment Opportunities

Employment is projected to increase by 22 million between 1978 and 1990. Employment growth in high-level professional opportunities is projected to be only 28 percent. Clerical and service occupations will account for 40 percent of this employment growth, and the remaining jobs will come in other occupational groups (Rumberger 1983). For the 1980s, the U.S. Bureau of Labor Statistics has projected a surplus of between 2 and 3 million college graduates who will enter the labor force. Based on past records, relatively few of these graduates are likely to be unemployed. Rather than risking unemployment, they may simply move toward jobs that have not traditionally required a college education (Young 1983).

Effects of Educational Attainment on Employment

In 1982, as in other years, the highest labor force participation rates and lowest unemployment rates were recorded by college graduates—whether men or women, black, white, or Hispanic (Young 1983). Despite the worsening job situation for new college graduates, their relative earnings remained favorable. College graduates continued to maintain an earnings advantage over high school graduates. College graduates may continue to hold a competitive advantage in the labor market, but an increasing number will be forced to accept jobs incommensurate with their level of training (Rumberger 1983).

Income Trends

Many families have experienced downward mobility and have moved from one wage earner to two, or now have one or more members working two or more jobs (Wegmann 1983). Sternlieb and Hughes (1982) found that in constant 1980 dollars, median family income rose only $84 annually during the 1970-1980 period. This is in contrast to the experience of the 1960-1970 period during which there was a real increase of $5,300. This essentially zero increase in family income took place during a decade when 3.2 million wives entered the labor force.

The 1970-1976 period was one during which the economy had to absorb large numbers of young workers and

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women into the paid labor force. Birch (1981) found that 66 percent of the net new jobs created during these years were in establishments with twenty or fewer employees, and only 13 percent in those with more than five hundred employees. Smaller businesses typically pay less than major corporations, and they are more likely to go out of business. Beck, Horan, and Tolbert (1978) estimated that it costs the average white male $4,098 annually to work in a peripheral rather than in a core industry.

Summary of Employment Trends

- There is a continuing trend toward higher educational attainment levels by greater numbers of people.
- Increasing numbers of women are seeking further education and are choosing to work outside the home.
- The demand for higher education is continuing largely due to the educational demands of the "baby boom" generation members who are now adults.
- There is a continuing trend toward a decrease in the number of professional and technical jobs, and an increase in the number of clerical and service jobs.
- Many Americans report that they have more education than their job requires, and a larger spread in the jobs held by college graduates is evident. Underemployment seems to be a reality for many people.
- As fewer professional and technical jobs are available, people with higher educational attainment will take other types of jobs. This will result in increased underemployment and unemployment for those with lower educational attainment levels.
- Limited increases in real income have resulted in an increase in the number of multiworker families as more women enter the labor force and more workers hold more than one job.
- There has been an increase in the number of small businesses. As a result, the greatest increases in employment opportunities are in the small business sector. These jobs are apt to have lower wages and less job security. This trend also means that more individuals are self-employed or small business operators.

Career Education Needs of the Underemployed

Educational attainment and labor force distribution trends suggest that greater numbers of people will be experiencing underemployment. The following are some career education strategies that can help both youth who have not yet entered the labor market and adults who are currently underemployed.

Exploration of a Wider Range of Occupations

Career education programs need to help youth and adults consider a wider range of occupations and to increase their awareness of job opportunity trends. It is important to help students avoid the error of assuming that education beyond high school will guarantee employment in professional and managerial occupations. Changing occupational areas, such as sales occupations that are requiring higher levels of specialized knowledge than were previously needed, need to be considered as possible career options.

Exploration of the Relationship Between Work and Other Life Roles

One way to help individuals cope with underemployment is to help them understand that satisfaction can be derived from a variety of life roles. Youth and adults need to explore how their life goals can be achieved not only through work roles but also through family, leisure, and community roles.

Career Planning for Multiworker Families

Career education programs can help youth and adults more clearly understand the nature of multiworker families. Survival of the family as an economic unit may require two or more wage earners. Individuals need help in understanding the ways in which multiworker families can plan cooperatively to support both the work and family roles of all family members. Increasingly, career planning is becoming a family rather than an individual matter.

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